

Prestige Marketing

We all strive for a little respect. It is the foundation of our dignity. Oddly, many of us see respect as something we can actually buy. True, surrounding oneself with a sufficient number of high cost toys and the prestige brands of cars, clothing and accessories does assign to the person an aura of success. And we typically have a high degree of respect for the successful.

Another driver for the flashy toys and expensive living perhaps is the urge some people have to demonstrate their success in ways that make others feel hints of envy. Overt showing off is not really acceptable, so the show-off inclined use products to do the showing off for them.

From the marketing perspective, this need for respect and the urge to impress can be leveraged by marketers to sell products that fall into the luxury or exclusive categories.

There is a market misconception regarding prestige products that needs to be challenged so that the foundation upon which prestige marketing is constructed will be associated with the appropriate motivators. As discussed above, the drive for prestige products is often based on a quest for respect or a desire to display one's success. Many view prestige products as appealing to the inner snob of the most fortunate. This is incorrect. Prestige products should be viewed from the perspective of serving a social function insofar as they enable people to communicate the socio-economic level they belong to (or perhaps seek to belong to). Prestige products appeal to those buyers with greater financial resources or those buyers willing to spend more so that they can appear as if they have the resources.

The Making of a Prestige Product

A prestige product is established in the marketplace by combining a number of product and marketing elements that communicate to the buyer its status and standing. These components are:

1. Brand – the product is wrapped in a brand that communicates prestige and has the reputation to support the notion that it is an exclusive brand used only by the select few who can afford it and have the sophistication to recognize its value.
2. Price – the price of the prestige item is always high, because the cost is used as the most evident barrier to entry for the average buyer. The price is the mechanism used by the marketer to immediately establish the perception of high value and exclusivity.
3. Quality - the product has the high quality necessary to support the image of being made exclusively for the rich and famous (but available to all who wish to appear rich and famous and willing to pay the price).
4. Packaging – there are little tricks to packaging, such as extra pins in a man's shirt to preserve body, or a bottle shape for an exclusive ladies perfume, which increase the perceived value of the product and reinforce its image as an expense and exclusive item.
5. Limited Availability – exclusive products are distributed through exclusive channels. If the product is available everywhere then its perceived value will drop. The whole idea behind the prestige product is that it is not available to everyone and cannot be purchased everywhere. The selection of a limited number of distribution channels (retailers, online sites, etc.) serves to enhance the buy experience of the prestige product.

Marketing the Prestige Product

The marketing of a prestige product does not mean that one merely seek to communicate in a blanket manner with the entire wealthy sector. As with all marketing, there are drivers within the targeted sector that make some individuals more likely candidates to make the buy than others. The mere possession of the financial resources does not automatically make a specific individual a prestige buyer. The following characteristics do:

1. Brand Identity – as with all branding, if the individual has established a relationship with a brand and has come to see the brand as a way to communicate to his community aspects of his own world (priorities, value system, self-image) then he/she will be a loyal and on-going customer.
2. Quality – if the product has significant quality advantages that help justify the extra cost there may be some people willing to pay for it regardless of the added cache of the brand. The quality driven shopper will most likely be a repeat customer, but not a volume customer.
3. Status Seekers – there are people who are willing to (and in some cases need to) pay the extra fee for the prestige product so that they can give the appearance of having the financial resources associated with the product. Sometimes this is for the sake of self-image, to show off, or as a business imperative. In any case, the status seeker may not always be the best customer because the motivating factor is still constrained by financial resources. The status seeker will buy only the quantities needed to satisfy the need to make the desired appearance.

One aspect of prestige marketing that needs to be remembered is that all communications are in some way an inherent comparison to competition, even if it is only made based on status criteria. The underlying message is almost always “you are not successful unless you buy this product (as opposed to a competitor’s). The effort is to imply that only this product can communicate success to others.

The task of marketing in the prestige arena is to show how the product will enhance the buyer’s status. It needs to express superiority and exclusivity. It needs to say something about the buyer, such as a new electronic gadget that not only shows the financial ability of the buyer to purchase the new item, but also his savvy at being an early technology adaptor. The dual message allows the buyer some cover to the “snob” or “show off” accusation, while delivering the prestige the purchase was intended to provide.

Challenges

The challenges that are present in any marketing effort (timing, targeting, measuring, etc.) are certainly present and in need of attention with the prestige marketing campaign. In addition, however, there are 4 distinctive challenges that need to be taken note of and addressed. They are:

1. Denial – people do not like to admit that they made a purchase solely for the purposes of attaining status or demonstrating their financial position. You need to give them additional reasons for having made the purchase, such as quality or safety.
2. Price – the price of your product is a double edged sword in the prestige market. You need to place a high price in order to establish the status and exclusivity you seek, but

you need to be aware that not everyone interested in the product is interested in paying the high price. They just want everyone to think they did.

3. Restricted Options – the exclusivity of the product may lend itself to restricting your marketing options as you need to operate with the closed space of your exclusivity and brand identity. For example, while you may be able to lower prices a bit through a limited time “event”, you will never be able to reduce prices significantly through a sale.

4. Perception - prestige, like value, is a function of perception. You need to sell the product on experience and an image, not only on the merits of the product.

People want to think positively about themselves. According to Sociologist Charles Horton Cooley and his Looking Glass Theory, we gain a notion of who we are and formulate our self image in accordance with how other people respond to us. We all seek positive responses because we are all more comfortable with a positive self image. Prestige products are often our way of securing the responses we seek. The task of the prestige marketer is to deliver on the status and make certain that the good feeling the buyers are seeking is experienced each and every time the product is purchased.